Form **8937**(December 2017) Department of the Treasury Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-0123

Part I Reporting Issuer			
1 Issuer's name			2 Issuer's employer identification number (EIN)
Teradyne, Inc.			04-2272148
3 Name of contact for additional information 4 Telephone No. of contact		of contact	5 Email address of contact
Andrew Blanchard		8-370-2425	investorrelations@teradyne.com
6 Number and street (or P.O. box if mail is not delivered to street address) of contact			7 City, town, or post office, state, and ZIP code of contact
600 Riverpark Drive			North Reading, MA 01864
8 Date of action	9 Classification	on and description	
December 12, 2018	1.25% Senior C	Convertible Notes Due 2023	3
10 CUSIP number 11 Serial number(s)	12	Ticker symbol	13 Account number(s)
880770 AG7 ISIN US880770A			
Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.			
 Describe the organizational action and, if app the action ► See Appendix A attached her 		of the action or the date aga	inst which shareholders' ownership is measured for
A-14.			
15 Describe the quantitative effect of the organiz share or as a percentage of old basis ► See			he hands of a U.S. taxpayer as an adjustment per
16 Describe the calculation of the change in bas valuation dates ► See Appendix A attached		at supports the calculation,	such as the market values of securities and the
3			

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Organizational Action (continued) Part II List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Sections 301(c), 301(d), 305(b)(2), 305(c), and 316. Can any resulting loss be recognized? ► This is not a loss transaction. Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year conversion rate adjustment is 2018 for a calendar year taxpayer. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge Sign Here Date ▶ Title ▶ Corporate Controller Print your name ► Michael Callahan PTIN Date Preparer's signature Print/Type preparer's name Check | if **Paid** self-employed **Preparer** Firm's EIN ▶ Firm's name **Use Only** Phone no. Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Form 8937 (12-2017)

Teradyne, Inc. Appendix A to Form 8937 December 12, 2018 Conversion Rate Adjustment

Teradyne, Inc. (NASDAQ:TER) (the "Company") has outstanding \$460 million in aggregate principal amount of 1.25% Convertible Senior Subordinated Notes due 2023 (the "2023 Notes"). The 2023 Notes are convertible, at the option of the holders, at any time prior to the close of business on the business day immediately preceding December 15, 2023, into shares of the Company's common stock, par value \$0.125 per share (the "Common Stock"). The terms of the 2023 Notes include antidilutive protections that provide for an increase in the number of shares of Common Stock issued by the Company upon conversion of the 2023 Notes in the event of payment of quarterly cash dividends on the Common Stock. This increase in the conversion rate on the 2023 Notes shall occur on the ex-dividend date for quarterly cash dividends paid on the Common Stock if such an adjustment to the conversion rate results in a change of 1.0% or greater to the conversion rate in effect immediately prior to such adjustment (the "1% Threshold"). If the 1% Threshold is not met, the increase in the conversion rate on the 2023 Notes shall occur on the annual anniversary date of the issuance of the 2023 Notes.

Section 6045B of the U.S. Internal Revenue Code (the "Code") and the Treasury Regulations promulgated thereunder provide that, if a company pays a cash dividend with respect to its stock that results in a conversion rate adjustment on a convertible debt instrument that is treated as a deemed distribution under Section 305(b)(2) and (c) of the Code, an information return on Form 8937, *Report of Organizational Actions Affecting Stock Basis of Securities*, must be filed with the Internal Revenue Service or, in lieu of filing, posted to the company's public website.

The information contained in the attached Form 8937 and this Appendix A is intended to satisfy the public reporting requirements under Section 6045A of the Code and is intended to provide only a general summary of certain U.S. federal income tax consequences of the conversion rate adjustment. Such information is not intended to be a complete analysis or description of all potential federal or other tax consequences of the conversion rate adjustment. You should consult your own tax advisor to determine the particular federal, state, local, or foreign income, reporting, or other tax consequences of the conversion rate adjustment applicable to you.

Line 14 - Description of the Organizational Action

In 2018, the Company paid quarterly cash dividends with respect to its Common Stock in March, June, September and December of \$0.09 per share, therefore requiring a conversion rate increase with respect to the 2023 Notes. As the conversion rate adjustments, individually and in the aggregate, for the 2018 cash dividends did not meet the 1% Threshold, the conversion rate increase on the 2023 Notes is effective on the 2018 anniversary date of the issuance of the 2023 Notes (December 12, 2018). The December 12, 2018 conversion rate increase results in a deemed dividend to holders of the 2023 Notes under Section 305(c) of the Code effective December 12, 2018.

Line 15 - Description of the Quantitative Effect of the Organizational Action

Effective December 12, 2018, the conversion rate on the 2023 Notes increased from 31.4463 shares of Common Stock per \$1,000 principal (the conversion rate as of December 12, 2017) to 31.5435 shares of Common Stock per \$1,000 principal of 2023 Notes held. The section 305(c) deemed dividend to holders of the 2023 Notes that resulted from the conversion rate change increased the basis of the 2023 Notes by \$3.2426 per \$1,000 principal of 2023 Notes held.

Line 16 - Description of Calculation of the Change

The calculation of the adjusted conversion rate per \$1,000 principal amount of 2023 Notes held is set forth below. The "Market Value" under the indenture for the 2023 Notes is the average closing price for the 10 trading days preceding and including the day before the ex-dividend date (such date was November 27, 2018).

Adj. Conversion Rate = PCR (31.5168) x MV (\$35.47) - DTA (\$0.06) = 31.5435 MV (\$35.47) - D (\$0.09)

Basis Adjustment = SP (\$33.36) * Conversion Adj. [(31.5435) - (31.4463)] = \$3.2426 per \$1,000 of principal amount of the 2023 Notes

PCR = Prior Conversion Ratio (Calculated for Prior Quarter)
MV = Market Value of 1 Common Share (As Calculated per 2023 Notes Indenture)
DTA = Dividend Threshold Amount
D = Dividend Amount (December 2018)
SP = Stock Price (December 12, 2018)